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## CALIFORNIA'S STATE BUDGET

BY JOHN FRANCIS NEYLAN,

Chairman, State Board of Control of California.

There is no provision in California's constitution for a budget. There was no big campaign made to bring about this reform. It just came quietly and unobtrusively. The man who would attempt to abolish it now and return to the old log-rolling system of making appropriations would be adjudged politically insane in California.

Governor Johnson took office in January, 1911, the legislature convening simultaneously. In March a mass of appropriation bills was placed before the Governor. Following his usual custom he took up each bill, read it carefully and asked for the data showing the need of the particular appropriation. He also asked for a statement of the state's revenues, and a comparative statement showing to what the revenues were being devoted. He wanted a list of all appropriation bills introduced; in fact he wanted to know all about the state's needs and the state's revenues.

The Governor wanted a great deal of information but he did not get it. Because nothing of that kind had ever been compiled the chief executive was forced to blindly put his name to millions of dollars' worth of appropriations.

"Such a proceeding as this is a disgrace to the people of an intelligent commonwealth," was the Governor's comment. "It most certainly will never occur again."

It has not occurred since.

In June, 1911, the newly created State Board of Control, vested with far greater powers than other boards of control in different states, took over the general supervision of the business and financial affairs of the state. This board had absolute control of the expenditure of the appropriations made by the legislature for the forty-three state departments and twenty-three state institutions.

With its ample powers and close contact with all parts of the government the State Board of Control studied the financial needs

of each in the ordinary course of business. In July, 1912, the first step was taken towards putting this study into practical use.

The Board of Control notified all state departments and institutions to make a careful estimate of their needs for the next two fiscal years, California's legislature meeting biennially. These estimates were forwarded to the Board of Control. They were checked carefully with data accumulated by the Board of Control through the operation of what is known as its "preaudit system," which is nothing more or less than a monthly departmental budget system.

The Board of Control then invited the coöperation of the State Controller and proceeded to give each department and institution a hearing on its particular needs and estimates. All estimates for support of hospitals, for instance, were before the board so that comparisons could be readily instituted. So also in the case of normal schools, prisons, reform schools and other institutions. The estimates of departments also showed comparative salaries paid and so forth.

Members of the Board of Control visited the institutions and departments to secure first hand information. In the matter of buildings the State Engineering Department was called upon for estimates.

All financial needs of state institutions and departments were assembled in the Board of Control office prior to November 15, 1912. A statement of estimated revenue was then secured, and the Board of Control with the State Controller sat down to draw California's first budget.

This budget was finished and placed in the hands of the Governor on December 15, two weeks before the legislature convened. Copies were sent broadcast throughout the state to libraries, civic and commercial bodies and the public generally.

Announcement was made that the budget was a statement of the financial program of the administration to be taken up at the coming session of the legislature, and that if anyone had objection it should be urged before the legislature.

The legislature convened and for the first time in the history of the state its members had a chance to vote intelligently on appropriation measures.

The accepted method of securing appropriations under old conditions in California as elsewhere was particularly vicious.

Under the old system the legislature met and simultaneously the heads of departments and institutions left their posts and traveled to Sacramento. Here they stayed throughout the legislative session, begging, wheedling and whining for money enough to properly transact the public business. Of course they promised jobs to friends of legislators in return for votes; of course they promised to aid some constituent of a senator who happened to be in the flour or coal business; of course they neglected their work for three months or as much longer as the legislature lasted.

During the 1913 session of California's legislature the head of each state institution and department came to Sacramento when called to appear before the finance committee of the senate and ways and means committee of the assembly. They usually arrived in the afternoon, appeared before the committee in the evening to answer any particular questions which had been raised on the budget recommendations and left Sacramento the following morning for their respective residences. NO PROMISES OF JOBS OR OF ANYTHING ELSE WERE MADE FOR THE SIMPLE REASON THAT THE GOVERNOR AND BOARD OF CONTROL HAD ASSUMED RESPONSIBILITY FOR THE ENTIRE BUDGET AND THE HEADS OF DEPARTMENTS AND INSTITUTIONS REALIZED THAT THE SECURING OF PROPER APPROPRIATIONS WAS NO LONGER A CONTEST IN TRICKERY AND WARD HEELING STRATEGY.

When the time came for appropriation bills to be passed to the executive for action, Governor Johnson made California's budget a permanent institution. He said:

Those appropriations which have been studied and approved by the Board of Control and State Controller, acting as a budget commission, will receive executive sanction. Those which have not been approved by the budget commission will fail. Of necessity no Governor could personally in the time at his disposal examine the justice of all these financial bills. Common sense demands a business-like and scientific budget. We have one, and, mark well what I tell you, the time will never come again in your lifetime or mine in California when any politician will dare put this government back on the old log-rolling basis.

At the 1915 session of the California legislature further steps were taken to advance the budget idea, and perfect the machinery of presenting it.

At the present time while the Governor and Board of Control assume full responsibility for the budget, it is presented only indi-

rectly by the Board to the legislature,—that is, through the medium of committees. It would not be surprising at the next session of California's legislature to see the Board of Control appear before each house of the legislature in committee of the whole and in its entirety and in detail there defend the budget which it will have introduced.

The acceptance of the budget in California was so prompt that all budget discussion has been confined to matters of method in compilation and presentation of data.

One objection is frequently heard. That is that there is no budget provision in California's constitution. This is a defect which undoubtedly will be remedied in the near future. However, for the present we have a budget sustained by a public opinion that would brook no interference with its operation.